



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
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EPA Region 5 Records Ctr.



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FEB - 5 2008

REPLY TO THE ATTENTION OF:

R-19J

The Honorable Mark Kirk
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Kirk:

In response to a request made on your behalf by Andria Hoffman of your staff, I am providing you with the approximate amounts of money that the United States has spent on general enforcement efforts at the Outboard Marine Corporation (OMC) Superfund site, Waukegan, Illinois. Ms. Hoffman contacted my staff following your receipt of my October 31, 2007, letter which described the remaining activities the U.S. Environmental Protection Agency must undertake to address remaining human health and environmental risks posed by residual polychlorinated biphenyl (PCB) contamination in Waukegan Harbor sediment.

In total, the United States to date has spent an estimated \$3.08 million on enforcement activities at the OMC site. I have broken out the separate cost amounts spent on OMC enforcement efforts by EPA and the U.S. Department of Justice (DOJ) below:

EPA Costs

In 2000, the EPA Superfund program had about \$1 million in unpaid oversight costs and other expenses incurred at the OMC site from 1981 through 1999. This sum represents both litigation costs to compel OMC to comply with our original harbor cleanup plan and costs spent to oversee the cleanup work that was completed. We were in the midst of trying to recover these costs from OMC when it declared bankruptcy in December 2000. It is estimated that half of that amount, or about \$500,000, was spent to support litigation at the site.

From January 1, 2000 to October 31, 2007, EPA incurred a total of \$7.86 million in response costs at the OMC site, of which about \$2.92 million was reimbursed from the OMC bankruptcy estate. These costs include contractor charges, and other costs, to conduct emergency responses at the OMC Plant 2 facility plus litigation support to the DOJ during this time period. Out of this total, we estimate that EPA spent about \$420,000 in payroll costs for enforcement, in addition to about \$1.275 million in contractor costs for emergency responses at the OMC Plant 2 site in a litigation support role. (Note: the above amounts do not include EPA's expenses for the Waukegan Coke

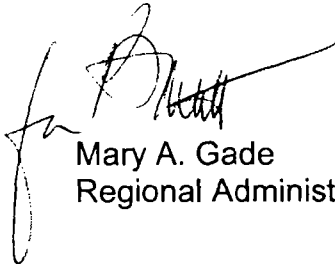
Plant (WCP) operable unit of the OMC site, as we have been reimbursed by the potentially responsible parties for all oversight costs through approximately October 2004, when the Remedial Action (RA) Consent Decree was entered.) To date, EPA's OMC enforcement- and litigation-related costs total an estimated \$2.195 million.

DOJ Costs

The DOJ provided EPA with a breakdown of the costs it has incurred for OMC site enforcement work. For pre-bankruptcy (pre-2000) work, including the negotiations for the 1989 consent decree with OMC, the DOJ spent about \$112,600. For the OMC Plant 2 (North Site) - 2002 bankruptcy settlement (includes litigation and 2005 settlement of the Adversary Proceeding), the DOJ spent about \$486,600. To file the 2002 Bankruptcy Proof of Claim on behalf of the United States, the DOJ spent about \$40,200. For the OMC Plant 2 (North Plant) 2005 Supplemental Consent Decree (the Prospective Purchaser Agreement with the City of Waukegan), the DOJ spent about \$88,900. Lastly, for the Waukegan Coke Plant site 2004 RA Consent Decree, the DOJ reported that it incurred about \$154,700 in costs. To date, the DOJ's OMC enforcement- and litigation-related costs total an estimated \$883,000.

Thank you for your continued interest in the cleanup of the OMC site and of Waukegan Harbor in particular. Please contact me if you have any further questions about the Superfund process or your staff may contact Mary Canavan or Ronna Beckmann, the Region 5 Congressional Liaisons, at 312-886-3000.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary A. Gade', is written over a large, stylized 'for' in cursive.

Mary A. Gade
Regional Administrator